

December 19, 2003

Dear Stakeholders:

This letter is to update you on the implementation of the 24-month time limit for the General Assistance and MediKan programs. As you recall, SRS was asked to make significant budget reductions in the past few years to help address the state budget shortfall. Specific reductions were made to the General Assistance Program and the related MediKan Program. I am writing to explain the changes made to these programs in the event that your consumers ask you questions about them. I hope this information will be helpful to you in responding to their concerns.

General Assistance is a state-funded transitional cash assistance program for adults without children who cannot support themselves because of a serious physical or mental disability. Recipients must pursue Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI), both of which are federal disability programs. Most recipients are awaiting decisions on their applications for federal disability benefits. However, only about one-third of applicants from Kansas will be approved as a result of the stringent Social Security eligibility requirements. Over 4,000 Kansans receive benefits from the General Assistance Program. The average monthly cash benefit is \$158.

Persons who qualify for this transitional cash assistance program also qualify for MediKan. MediKan is an entirely state-funded medical assistance program that provides transitional medical benefits to individuals while their application for federal disability determination is pending. If an individual qualifies for SSDI/SSI, he or she will then become eligible for Medicaid in place of MediKan. It is important to note that 25.0 percent of medical expenses are for pharmacy claims; 25.0 percent are for mental health services; and 12.0 percent of claims are for general hospital services. Other expenses associated with MediKan are made for physician, durable medical equipment, transportation, and home health costs. In comparison to Medicaid services, MediKan is limited more in the types of medical services that are covered. For instance, with the exception of emergency services, MediKan does not cover any inpatient procedures. Also, the drug formulary works differently from the Medicaid plan.

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To help contain costs to the state, General Assistance cash and medical benefits were limited to 24 months, starting in January 2002. Consequently, in January 2004, approximately 400 General Assistance recipients will begin losing services. We expect an additional 75 recipients to lose services in each of the following six months thereafter. No hardship exemptions are allowed. This time limit also will be placed on the MediKan Program.

The 24 month-time limit was approved by the 2002 Legislature with recipients losing benefits beginning on July 1, 2004. Although these limits are shorter, the use of time limits follows a pattern used in The Federal TANF Program (cash assistance). Fiscal pressures including allotments required the time limit to be accelerated to January 1, 2004. The 2003 Legislature approved this recommendation. The combined savings from the General Assistance and MediKan programs for FY 2004 is just over \$1.4 million in State General Fund. For FY 2005, savings will be realized of a little more than \$3.1 million in State General Fund.

SRS is working with consumers who will lose benefits to find other resources and services. In many cases, persons may qualify for SRS food assistance, the Low Income Energy Assistance Program (LIEAP), or vocational rehabilitation services. Community organizations may notice an increased demand for services and resources as persons losing General Assistance may seek assistance in paying for rent, utilities, medical care, prescriptions, and food, particularly from those individuals who do not ultimately qualify for SSDI/SSI.

The state has had to make many difficult decisions in the last few years to cope with declining state revenue. This reduction was particularly difficult, as it limited the safety net the state offers to vulnerable adult Kansans. SRS will continue to make every attempt to work with consumers and communities to find necessary services for those with needs, however, meeting those needs will require cooperation from all of our community partners. For your reference, I am attaching statewide statistics by county related to the General Assistance Program and the reductions that have been made. If you need additional information, please contact my office at (785) 296-3271.

Sincerely,

Janet Schalansky  
Secretary

Attachment